

## Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 8 Short Question Preparation

Q1. Define voucher.

**Ans 1:** A voucher means documentary evidence that proves the accuracy of a business transaction appearing in the books of accounts, Any written piece of paper which proves the genuineness of a business transaction is a voucher.

Q2. What is an order cheque?

**Ans 1:** If a cheque is made payable to a certain person without the addition of the word bearer or order there to such cheque is known as order cheque.

Q3. Name the kinds of cash book.

**Ans 1:** There are four kinds of cash book.

1. Simple Cash book
2. Double column cash book
3. Three column cash book
4. Pretty cash book

Q4. Define contra entry.

**Ans 1:** A transaction that is recorded on both sides of the cash book simultaneously is called contra entry.

Q5. What is discounting of bill?

**Ans 1:** When the holder of the bill is need of money before the due date hemay sell it to the ban or any third party at any time before its maturity.

Q6. Define uncollected cheque.

**Ans 1:** All those cheque which are deposited in the bank by the customer but the bank has not credited the amount of those cheques to the customer account are called uncredited cheque , These cheque are also called collected cheque.

Q7. What is bank overdraft?

**Ans 1:** The amount which banks allows to a customer to withdraw in excess of his deposits for the sake of depositor good will is known as bank overdraft.

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Q8. What are petty expenses?

**Ans 1:** Small expenses such as postage, stationery and office sundries etc in a business and known as petty expenses.

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Q9. Write any three names of bank accounts.

**Ans 1:** The name of bank account are as under:

1. Profit and loss sharing
  2. Current Account
  3. Fixed Deposit Account
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Q10. Define single column cash book.

**Ans 1:** In single column cash book only cash received are recorded in debit side and cash payments are recorded on credit side the balance is cash in hand.

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